



SENATE FINANCE & CLAIMS

Exhibit No. 3

Date 3-30-07

Bill No. HB 820

March 30, 2007

TO: Members of the Senate Finance & Claims Committee

FROM: Claudia Clifford, AARP Montana

RE: Human Services Budget of HB 820

AARP Montana appreciates the opportunity to comment on the Human Services budget in HB 820. There are numerous budget items in HB 820 that we support, but I will focus these comments on just one program that has been under-funded.

A high priority for AARP Montana is adequate funding for Big Sky Rx, a program that pays the premium for Medicare Part D drug coverage for eligible Montanans up to 200% of FPL. We know from 2007 surveys that 83% of our members rank affordable prescription drugs as their #1 legislative priority and that 7 out of 10 members are concerned about being able to pay for their medicines. Big Sky Rx is new program, authorized last session in SB 324, and has the potential to help over 20,000 seniors afford their prescriptions. Big Sky Rx started up in the mass confusion of all of Medicare Part D and had some trouble getting out information on the program. Still we have nearly 4,000 Montanans benefiting from Big Sky Rx today.

We know that over 10,000 Montanans who applied for federal Part D assistance, but were rejected, according to records from the Social Security Administration. These Montanans want to benefit from Part D and are very likely to qualify for Big Sky Rx, giving them access to prescription drug coverage. Senators Baucus and Tester, AARP and others are working to get a list of these Montanans to DPHHS. CMS has promised to provide the names to our state.

The budget proposal in HB 820 for Big Sky Rx is not adequate to cover the potential Montanans who want this assistance and are likely to enroll. DPHHS has done an estimate of a budget to cover current enrollees and 60% of the Montanans who were rejected for federal assistance and qualify for Big Sky Rx. I believe that a 60% take-up rate from this forthcoming list is a conservative projection, and budgeting to cover these seniors should be a baseline minimum. The appropriation for Big Sky Rx needs to be increased as follows:

	<u>FY 08</u>	<u>FY09</u>
* Budget projection based on 60% take up	\$5,639,881	\$7,148,309
* Approp. in HB 820 for Big Sky Rx:	<u>\$3,900,000</u>	<u>\$5,100,000</u>
* Minimum shortfall	\$1,739,881	\$2,048,309

We encourage this committee and the department to allocate sufficient resources to reach out to the nearly 11,000 Montana seniors who wanted assistance so they could enroll in Part D Rx coverage but did not qualify for federal help. These folks could greatly benefit from Big Sky Rx, but it will take significant outreach efforts in many communities throughout the state.

AARP appreciates any increases in funding in HB 820 for aging services, the Medicaid home and community based waiver program, the personal needs allowance for people in nursing homes, and additional SHIP and ombudsman staff. We also urge your support of the funding for health care for health care workers delineated in SB 206. We know you struggle to address many needs for human services and thank you for your support of programs that are important to seniors.